

House Bill 585

By: Representatives Burkhalter of the 50th, Harbin of the 118th, Coan of the 101st, Everson of the 106th, May of the 111th, and others

A BILL TO BE ENTITLED
AN ACT

To amend Title 36 of the Official Code of Georgia Annotated, relating to local government, so as to provide for the elimination of ad valorem property taxes on qualified motor vehicles over a four-year period; to provide for qualified motor vehicle tax relief grants; to provide for definitions; to provide for procedures, conditions, and limitations; to provide for powers, duties, and authority of the state revenue commissioner; to provide for related matters; to provide for an effective date; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

Title 36 of the Official Code of Georgia Annotated, relating to local government, is amended by adding a new chapter to read as follows:

"CHAPTER 89A

36-89A-1.

As used in this chapter, the term:

(1) 'County millage rate' means the net ad valorem tax millage rate levied by a county for county purposes and applying to qualified motor vehicles in the county, including any millage levied for those special districts reported to and received by the state revenue commissioner, but not including any millage levied for purposes of bonded indebtedness and not including any millage levied on behalf of a county school district for educational purposes.

(2) 'Eligible assessed value' means a certain stated amount of the assessed value of each qualified motor vehicle in the state. The assessed value of qualified motor vehicles shall be determined pursuant to the uniform evaluation of motor vehicles prepared pursuant to Code Section 48-5-442. The amount of the eligible assessed value for any given year shall be fixed in that year's General Appropriations Act.

(3) 'Fiscal authority' means the individual authorized to collect ad valorem taxes for a county or municipality which levies ad valorem taxes.

(4) 'Municipal millage rate' means the net ad valorem tax millage rate levied by a municipality for municipal purposes and applying to qualified motor vehicles in the municipality, including any millage levied for those special tax districts reported to and received by the state revenue commissioner, but not including any millage levied for purposes of bonded indebtedness and not including any millage levied on behalf of an independent school district for educational purposes.

(5) 'Qualified motor vehicle' means a motor vehicle owned by a natural person and used primarily for personal use.

(6) 'School millage rate' means the net ad valorem tax millage rate levied on behalf of a county or independent school district for educational purposes and applying to qualified motor vehicles in the county or independent school district, not including any millage levied for purposes of bonded indebtedness and not including any millage levied for county or municipal purposes.

(7) 'State millage rate' means the state millage levy.

36-89A-2.

Each year, the General Assembly shall appropriate funds for qualified motor vehicle tax relief grants to counties, municipalities, and county or independent school districts pursuant to and in furtherance of the provisions of Article III, Section IX, Paragraph II(b) and Article VII, Section III, Paragraph III of the Constitution.

36-89A-3.

(a) It is the intent of the General Assembly to annually appropriate to the Department of Revenue funds to provide qualified motor vehicle tax relief grants to counties, municipalities, and county or independent school districts. The General Appropriations Act shall specify the amount appropriated and the eligible assessed value of each qualified motor vehicle in the state for the specified tax year as follows:

(1) For the period beginning July 1, 2009, and ending June 30, 2010, an eligible assessed value of \$3,000.00 or fair market value of \$7,500.00;

(2) For the period beginning July 1, 2010, and ending June 30, 2011, an eligible assessed value of \$6,000.00 or fair market value of \$15,000.00;

(3) For the period beginning July 1, 2011, and ending June 30, 2012, an eligible assessed value of \$12,000.00 or fair market value of \$30,000.00; and

(4) For each subsequent 12 month period thereafter, the full assessed value of each qualified motor vehicle.

(b) If for any reason the amount appropriated in the General Appropriations Act is insufficient to fund the eligible assessed value stated in the General Appropriations Act, the amount appropriated may be adjusted in amendments to the General Appropriations Act or if the amount appropriated is not so adjusted there shall be a corresponding reduction in the eligible assessed value.

36-89A-4.

(a)(1) Pursuant to the appropriation of funds as provided in Code Section 36-89A-3, such grants shall each month be allotted to each county, municipality, and county or independent school district in the state as follows:

(A) Immediately following the actual preparation of ad valorem property tax bills, each county fiscal authority shall notify the Department of Revenue of the total amount of tax revenue which would be generated by applying the sum of the state and county millage rates to the eligible assessed value of each qualified motor vehicle taxable by the county. The total amount of actual tax credits, so calculated, given to all qualified motor vehicles in the county shall be the amount of the grant to that county;

(B) Immediately following the actual preparation of ad valorem property tax bills, each county or independent school district's fiscal authority shall notify the Department of Revenue of the total amount of tax revenue which would be generated by applying the school millage rate to the eligible assessed value of each qualified motor vehicle taxable by or for the county or independent school district. The total amount of actual tax credits, so calculated, given to all qualified motor vehicles in the county or independent school district shall be the amount of the grant to that county or independent school district; and

(C) Immediately following the actual preparation of ad valorem property tax bills, each municipality's fiscal authority shall notify the Department of Revenue of the total amount of tax revenue which would be generated by applying the municipal millage rate to the eligible assessed value of each qualified motor vehicle taxable by the municipality. The total amount of actual tax credits, so calculated, given to all qualified motor vehicles in the municipality shall be the amount of the grant to that municipality.

(2) Credit amounts computed under paragraph (1) of this subsection shall be applied to reduce the otherwise applicable tax liability on a dollar-for-dollar basis, but the credit granted shall not in any case exceed the amount of the otherwise applicable tax liability.

(b) The grant of funds to each county shall be conditioned on the county's fiscal authority reducing each qualified motor vehicle's otherwise applicable liability for county taxes for county purposes by a credit amount calculated in subparagraph (a)(1)(A) of this Code section.

(c) The grant of funds to each county or independent school district shall be conditioned on the county or independent school district's fiscal authority reducing each qualified motor vehicle's otherwise applicable liability for school taxes by a credit amount calculated in subparagraph (a)(1)(B) of this Code section.

(d) The grant of funds to each municipality shall be conditioned on the municipality's fiscal authority reducing each qualified motor vehicle's otherwise applicable liability for municipal taxes by a credit amount calculated in subparagraph (a)(1)(C) of this Code section.

(e) Each motor vehicle ad valorem tax receipt shall show the total reduction as a result of the credits, together with a prominent notice in substantially the following form: 'This reduction in your bill is the result of qualified motor vehicle tax relief enacted by the Governor and the General Assembly of the State of Georgia.'

36-89A-5.

(a) The state revenue commissioner shall administer this chapter and shall adopt rules and regulations for the administration of this chapter, including specific instructions to local governments. The state revenue commissioner may adopt procedures for partial or installment distribution of grants when the commissioner determines that a full distribution will only result in the necessity of return of funds under subsection (b) of this Code section.

(b) If any excess funds remain from the funds granted to any county, municipality, or county or independent school district under this chapter, after the county, municipality, or county or independent school district complies with the credit requirements of Code Section 38-89A-4, such excess funds shall be returned by the county, municipality, or county or independent school district to the Department of Revenue.

36-89A-6.

Any credit under this chapter which is erroneously or illegally granted shall be recoverable by the political subdivision granting such credit in the same manner as any other delinquent tax."

SECTION 2.

This Act shall become effective on January 1, 2009.

SECTION 3.

All laws and parts of laws in conflict with this Act are repealed.